

## Message Text

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INFO OCT-01 EUR-12 EA-10 ISO-00 EB-07 AID-05 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06

SP-02 CIEP-02 OMB-01 PA-02 PRS-01 /076 R

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APPROVED BY EB/OCA/CM EMCKEON

WARREN W GLICK, ACTING AVECUTIVE VICE PRESIDENT

EB/IFD/ODF RASWART

EA/J/DJSMITH (INFO)

EUR/NE/APICKNEY (INFO)

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R 132220Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

AMEMBASSY OSLO

UNCLAS STATE 139170

E.O. 11652 N/A

TAGS APUB, JA, NO

SUBJECT PRESS RELEASE ON EXIMBANK CREDITS TO JAPAN AND NORWAY

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREFITS TO JAPAN AND NORWAY TOTALLING \$7,287,829. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, THURSDAY, JUNE 19, 1975.

QUOTE: EXIMBANK SUPPORTS USED AND NEW U.S. AIRCRAFT SALES TO JAPAN AND NORWAY

THE EXPORT-IMPORT BANK OF THE UNITED STATES WILL SUPPORT U.S. AIRCRAFT SALES TOTALLING \$18,219,573 TO COMPANIES IN JAPAN AND NORWAY WITH TWO DIRECT CREDITS TOTALLING \$7,287,829 ACCORDING UNCLASSIFIED

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TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY.

ONE CREDIT OF \$4,520,000 TO C. ITOH & COMPANY, LTD., OF TOKYO WILL HELP FINANCE THE PURCHASE TO TWO USED DC-8-61 JET AIRCRAFT AND RELATED EQUIPMENT AND SERVICES FROM EASTERN AIR LINES OF NEW YORK, NEW YORK, COSTING \$11.3 MILLION. THE AIRCRAFT ARE CURRENTLY BEING USED IN DOMESTIC SERVICE IN JAPAN UNDER A LEASE FROM EASTERN AIR LINES WHICH WILL EXPIRE IN MARCH 1977.

THE EXIMBANK LOAN REPRESENTS 40 PERCENT OF THE U.S. COSTS. A CREDIT OF \$5,650,000 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL COVER 50 PERCENT OF THE U.S. COSTS AND THE BORROWER WILL MAKE CASH PAYMENT OF 10 PERCENT REPRESENTING THE BALANCE OF THE U.S. COSTS. INTEREST ON EXIMBANK'S LOAN WILL BE AT 8 1/2 PERCENT PER ANNUM. THIS RATE, COMBINED WITH THE ESTIMATED INTEREST RATE OF PRIVATE SOURCES, WHICH IS BASED ON CURRENT RATES, WILL RESULT IN A BLENDED ANNUAL INTEREST COST TO THE BORROWER OF 8.75 PERCENT TO 9 PERCENT.

THE LOANS ARE TO BE REPAYED IN 8 SEMIANNUAL INSTALLMENTS BEGINNING MARCH 15, 1976, WITH REPAYMENT OF EXIMBANK'S LOAN TO BE GUARANTEED BY THE INDUSTRIAL BANK OF JAPAN IN TOKYO.

THE OTHER EXIMBANK CREDIT IS FOR \$2,767,829 IN FAVOR OF BRAATHENS S.A.F.E. OF OSLO, AND WILL HELP FINANCE A \$6,919,573 PURCHASE OF ONE BOEING 737-200 JET AIRCRAFT WITH RELATED GOODS AND SERVICES FROM THE BOEING COMPANY OF SEATTLE, WASHINGTON.

BRAATHENS S.A.F.E. OPERATES DOMESTIC ROUTES IN NORWAY AND CHARTER FLIGHTS ORIGINATING IN NORWAY AND SWEDEN TO POINTS THROUGH EUROPE, AND DOES NOT COMPETE WITH U.S. CARRIERS. SINCE BOEING COMMERCIAL AIRCRAFT PRODUCTION IS FAR BELOW CAPACITY, EXIMBANK'S SUPPORT IN THIS TRANSACTION WILL HELP U.S. EMPLOYMENT. EXIMBANK HAS PROVIDED FINANCIAL ASSISTANCE FOR THREE PREVIOUS BOEING 737 PURCHASES BY BRAATHENS.

THE EXIMBANK CREDIT IN THE CURRENT TRANSACTION REPRESENT 40 PERCENT OF THE TOTAL U.S. COSTS. A CREDIT OF \$3,459,787 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 50 PERCENT OF THE U.S. COSTS AND THE BORROWER WILL MAKE CASH PAYMENT OF 10 PERCENT REPRESENTING THE BALANCE OF THE U.S. COSTS.

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INTEREST ON EXIMBANK'S LOAN WILL BE AT 8 PERCENT PER ANNUM. THIS RATE, COMBINED WITH THE ESTIMATED RATE FROM PRIVATE SOURCES WHICH IS BASED ON CURRENT RATES, WILL RESULT IN A BLENDED INTEREST COST TO THE BORROWER OF 8.36 PERCENT TO 8.61 PERCENT.

THE LOANS ARE TO BE REPAYED IN 20 SEMIANNUAL INSTALLMENTS WITH EXIMBANK'S LOAN TO BE REPAYED OUT OF A PORTION OF THE 12 TH

INSTALLMENT AND ALL OF INSTALLMENTS 13 THROUGH 20. REPAYMENT OF  
EXIMBANK'E LOAN IS TO BE GUARANTEED BY DEN NORSKE CRERITBANK.  
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## Message Attributes

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESS RELEASE ON EXIMBANK CREDITS TO JAPAN AND NORWAY FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-  
**TAGS:** APUB, JA, NO  
**To:** TOKYO OSLO  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006